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January 25, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Brown-Ozley Reservoir; Hosston B Zone, Reservoir B; Conville Sand, Reservoir D; Hodge-Hunt Sand, Reservoir B; Bain Sand, Reservoir E; Hosston Formation, Reservoir A; and Cotton Valley Formation, Reservoir C; BEAR CREEK FIELD, Bienville Parish, Louisiana.

Dear Sir:

CHESAPEAKE OPERATING, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Brown-Ozley Reservoir; the Hosston B Zone, Reservoir B; the Conville Sand, Reservoir D; the Hodge-Hunt Sand, Reservoir B; the Bain Sand, Reservoir E; the Hosston Formation, Reservoir A; and the Cotton Valley Formation, Reservoir C; all in the Bear Creek Field, Bienville Parish, Louisiana:

Brown-Ozley Reservoir and Hosston B Zone, Reservoir B

1. To dissolve the units shown on an attached plat and designated BR-OZ SUN and BR-OZ SUO, created for the Brown-Ozley Reservoir by Office of Conservation Order No. 78-12, effective July 6, 1950.

2. To dissolve the unit shown on an attached plat and designated HOSS B RB SUC, created for the Hosston B Zone, Reservoir B, by Office of Conservation Order No. 78-Q-15, effective April 6, 1988.

The Brown-Ozley Reservoir in the Bear Creek Field, Bienville Parish, Louisiana, was defined in Office of Conservation Order No. 78-A, effective September 11, 1945, and designated

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as the Brown Sand Reservoir, and was redesignated as the Brown-Ozley Reservoir in Office of Conservation Order No. 78-D, effective February 20, 1952.

The Hosston B Zone, Reservoir B, in the Bear Creek Field, Bienville Parish, Louisiana, was defined in Office of Conservation Order No. 78-Q-10, effective December 9, 1986.

Conville Sand, Reservoir D; Hodge-Hunt Sand,
Reservoir B; Bain Sand, Reservoir E;
Hosston Formation, Reservoir A; and
Cotton Valley Formation, Reservoir C

1. To establish rules and regulations governing the exploration for and production of gas and condensate from each of these sands and formations.
2. To create two (2) drilling and production units for the exploration for and production of gas and condensate from each of these sands and formations, such units being shown on attached plats and being designated CON RD SUA and CON RD SUB; H-H RB SUA and H-H RB SUB; BAIN RE SUA and BAIN RE SUB; HOSS RA SUA and HOSS RA SUB; and CV RC SUA and CV RC SUB.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate an operator of, and unit wells for, the proposed units as may be appropriate.
5. To propose that future wells drilled to these sands and formations within or outside of the units proposed herein be located in accordance with the spacing provisions of Statewide Order No. 29-E.
6. To permit applicant to combine downhole production from CON RD SUA, H-H RB SUA, HOSS RA SUA and CV RC SUA, or any combination thereof, in any well drilled on these proposed identical units in which the interests of the parties is identical in production from each unit to be combined downhole.
7. To permit applicant to combine downhole production from BAIN RE SUB, HOSS RA SUB and CV RC SUB, or any combination thereof, in any well drilled on these proposed

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identical units in which the interests of the parties is identical in production from each unit to be combined downhole.

8. To define the Conville Sand, Reservoir D, as the stratigraphic equivalent of that sand encountered between the measured depths of 7310 feet and 7338 feet in the El Paso (formerly Southern Natural Gas)--Conville No. 1 Well, located in Section 5, Township 16 North, Range 5 West, Bienville Parish, Louisiana.

9. To define the Hodge-Hunt Sand, Reservoir B, as the stratigraphic equivalent of that sand encountered between the measured depths of 7726 feet and 7738 feet in the Broyles & Holloway--Continental Can No. 1 Well, located in Section 8, Township 16 North, Range 5 West, Bienville Parish, Louisiana.

10. To define the Bain Sand, Reservoir E, as the stratigraphic equivalent of that sand encountered between the measured depths of 7728 feet and 7748 feet in the El Paso (formerly Franks, Holloway et al)--Bain No. 1 Well, located in Section 11, Township 16 North, Range 5 West, Bienville Parish, Louisiana.

11. To define the Hosston Formation, Reservoir A, as the stratigraphic equivalent of that interval encountered between the measured depths of 7356 feet and 10,637 feet in the J-W Operating Company--Harrison 23 No. 1 Well, located in Section 23, Township 16 North, Range 5 West, Bienville Parish, Louisiana, less and except the Conville Sand, Reservoir D, the Hodge-Hunt Sand, Reservoir B, and the Bain Sand, Reservoir E, as defined above.

12. To define the Cotton Valley Formation, Reservoir C, as the stratigraphic equivalent of that interval encountered between the measured depths of 10,637 feet and 12,858 feet in the J-W Operating Company--Harrison 23 No. 1 Well, located in Section 23, Township 16 North, Range 5 West, Bienville Parish, Louisiana.

13. To consider such other matters as may be pertinent to any of these sands and formations.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Craig C. Barclay, 522 Dumbarton, Shreveport, Louisiana 71106. Any person wishing to inspect any such data should call Mr. Barclay at (318) 869-2223 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

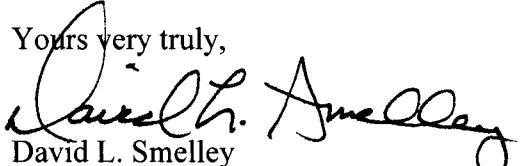
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By letter dated January 12, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set February 2, 2007, as the tentative date for the pre-application conference. While a request for the conference was received within ten (10) days after the date of said letter, the conference request was subsequently withdrawn; therefore, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats showing the units proposed to be dissolved and the units proposed to be created (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Bear Creek Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley
Attorney for Chesapeake Operating, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Les Rodman (w/encls.)
Ms. Denise Cramer (w/encls.)
Mr. Craig C. Barclay (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

